



Wisynco Group Limited

Interim Report (Unaudited)

1st Quarter ended

30 September 2022

Wisynco Group Limited (Wisynco) – Interim Report to Stockholders

The Directors are pleased to present the unaudited financial results for the first quarter ended September 30, 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Revenues for the quarter of \$11.9 billion represent the highest in the company's history, an increase of 29.8% above the \$9.2 billion achieved in the corresponding quarter of the previous year. We are encouraged by the increased demand for our products in all channels including exports which were up 10% over the same quarter of the prior year. The supply chain challenges continued into this quarter however we are seeing improvements.

Gross Profit for the quarter of \$4.3 billion was 31.8% more than the \$3.3 billion achieved in the same quarter of the previous year. Our Gross Margin at 36.2% was slightly higher than the 35.6% for the corresponding quarter in the prior year.

Selling, Distribution & Administrative expenses (SD&A) for the quarter totaled \$2.6 billion or 27.4% more than the \$2 billion for the corresponding quarter of the prior year. Our SD&A expense to sales ratio was 21.6% for the quarter, compared to 22.0% in the prior year. Inflationary increases and variable expenses, which increase with Revenues, are the primary reasons for the expenditure growth however these increases are at a slower rate when compared to the rate of growth in Revenues.

Profit before Taxation for the quarter was \$1.7 billion, which is \$445 million or 34.7% higher than the \$1.3 billion of the comparative quarter for the prior year and includes an exchange loss of \$126 million (\$59 million loss for the comparative quarter last year).

After provision for taxes, Wisynco recorded Net Profits Attributable to Stockholders of \$1.3 billion, or 35c per share for the quarter, which was 34.1% greater than the \$967 million earned for the prior year. Earnings per share for the prior year quarter was 26c.

Our Balance Sheet remains strong with a current ratio of 2.8 (same as last year's quarter). Inventories remain higher than the prior year although slightly lower than at June 30, 2022, as we continue to maintain higher amounts of key materials due to supply chain challenges. We expect some normalization of inventories going into Q2 and Q3 as we utilize the inventories on-hand and we are seeing less congestion at global ports and freight rates improving.

Recycling efforts through Recycle Partners of Jamaica (RPJ) which involve the collection, baling, and exporting of plastic bottles have been ramped up with very productive industry meetings/collaboration. RPJ's reported collection rate is upward of 16%, up from 5% when RPJ started two-and-a-half years ago, with the intention to reach 30% by December 2023. The industry's commitment and the strategic efforts are designed to ensure we (the industry) do our part to keep our country clean. We expect RPJ to commence reporting on this data to the public in the coming months in order to ensure complete visibility on the efforts of the Partnership.

Again, we express our sincere gratitude to all our team members who have done their very best as we move forward, and the efforts of our entire team has been commendable. To all our customers, consumers and stockholders, we remain thankful for your continued support and wish everyone good health.

William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Comprehensive Income
Three months ended 30 September 2022

		Unaudited Quarter ended 30 September 2022 \$'000	Unaudited Quarter ended 30 September 2021 \$'000	Audited Year ended June 2022 \$'000
	Note			
Revenue		11,947,427	9,205,902	39,045,880
Cost of sales		(7,622,029)	(5,924,959)	(25,794,948)
Gross Profit		4,325,398	3,280,943	13,250,932
Other operating income		57,533	44,585	151,559
Selling and distribution expenses		(2,124,354)	(1,645,662)	(7,094,702)
Administration expenses		(454,834)	(378,575)	(1,437,412)
Operating Profit		1,803,742	1,301,291	4,870,377
Finance income		85,216	66,736	301,258
Finance costs		(149,509)	(86,363)	(149,059)
Share of results of associate		(11,358)	1,634	(28,124)
Profit before Taxation		1,728,091	1,283,298	4,994,452
Taxation		(430,925)	(316,286)	(940,769)
Net Profit		1,297,166	967,012	4,053,683
Other Comprehensive Income				
Items that may be subsequently reclassified to P&L:				
Exchange differences on translation of foreign subsidiary		(1,537)	(8,577)	(570)
Share of other comprehensive income of associate		(7,333)	(368)	18,504
Items that may not be subsequently reclassified to P&L:				
Unrealised losses on investment securities		(20,033)	(639)	114,701
Total Comprehensive Income		1,268,263	957,428	4,186,318
Net Profit attributable to:				
Stockholders of Wisynco Group Limited		1,297,166	967,012	4,053,683
Total Comprehensive Income attributable to:				
Stockholders of Wisynco Group Limited		1,268,263	957,428	4,186,318
Basic and diluted earnings per stock unit attributable to stockholders of the group				
	3	\$0.35	\$0.26	\$1.08

Wisynco Group Limited
Group Statement of Financial Position
30 September 2022

		Unaudited September 30 2022 \$'000	Unaudited September 30 2021 \$'000	Audited June 30 2022 \$'000
	Note			
Non-Current Assets				
Property, plant and equipment		6,498,469	6,456,681	6,276,824
Intangible asset		4,077	15,413	6,911
Investment in associate	4	551,870	581,447	570,561
Loans receivable		209,985	206,834	212,723
Investment securities		1,679,761	797,499	1,070,595
		8,944,162	8,057,874	8,137,614
Current Assets				
Inventories		5,240,400	2,933,297	5,415,339
Receivables and prepayments		4,331,008	3,390,457	4,017,597
Investment securities		497,172	482,773	641,526
Cash and short-term deposits	5	7,177,852	7,609,656	7,679,736
		17,246,432	14,416,183	17,754,198
Current Liabilities				
Trade and other payables		4,539,562	3,797,733	5,998,416
Short-term borrowings		790,901	771,033	759,322
Lease Liability		129,683	53,498	63,115
Taxation payable		654,795	579,477	453,639
		6,114,941	5,201,741	7,274,492
Net Current Assets		11,131,491	9,214,442	10,479,706
		20,075,653	17,272,316	18,617,320
Shareholders' Equity				
Share capital	6	1,258,673	1,208,583	1,258,319
Other reserve		511,469	367,240	515,130
Translation reserve		68,928	50,919	77,798
Retained earnings		17,282,388	14,399,613	15,985,222
		19,121,458	16,026,355	17,836,469
Non-current Liabilities				
Deferred tax liabilities		33,886	99,966	33,885
Borrowings		790,446	1,145,995	642,053
Lease Liabilities		129,863	-	104,913
		954,195	1,245,961	780,851
		20,075,653	17,272,316	18,617,320

William Mahfood
Chairman

Andrew Mahfood
Chief Executive Officer

Wisynco Group Limited
Group Statement of Changes in Equity
Three months ended 30 September 2022

	Number of Shares	Share Capital \$'000	Capital Reserves \$'000	Retained Earnings \$'000	Translation Reserve \$'000	Total Equity \$'000
Balance as at 1 July 2021	3,750,000,000	1,192,647	369,039	13,432,757	59,864	15,054,307
Net profit	-	-	-	967,012	-	967,012
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	(639)	-	-	(639)
Share-based payment expenses, net of taxes	-	-	6,897	-	-	6,897
Share of other comprehensive income of associate	-	-	-	-	(368)	(368)
Exchange differences on translating foreign subsidiary	-	-	-	-	(8,577)	(8,577)
Total comprehensive income	-	-	6,258	967,012	(8,945)	964,326
Transactions with Owners:						
Issue of Shares	6,250,000					
Amount held as treasury shares	(5,249,000)					
Shares issued through LTIP	1,001,000	15,936	(8,057)	-	-	7,879
Long Term Incentive Plan (LTIP) expenses, net of taxes						
Dividends	-	-	-	(156)	-	(156)
	-	15,936	(1,799)	966,856	(8,945)	972,049
Balance at 30 September 2021	3,751,001,000	1,208,583	367,240	14,399,613	50,919	16,026,355
Balance as at 1 July 2022	3,754,125,000	1,258,319	515,130	15,985,222	77,798	17,836,469
Net profit	-	-	-	1,297,166	-	1,297,166
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-	-	(20,033)	-	-	(20,033)
Long Term Incentive Plan (LTIP) expenses	-	-	16,556	-	-	16,556
Share of other comprehensive income of associate	-	-	-	-	(7,333)	(7,333)
Exchange differences on translating foreign subsidiary	-	-	-	-	(1,537)	(1,537)
Total comprehensive income	-	-	(3,477)	1,297,166	(8,870)	1,284,819
Transactions with Owners:						
Issue of shares	6	6,250,000	-	-	-	-
Amount held as treasury shares	6	(2,106,525)	-	-	-	-
Shares issued through LTIP	6	4,143,475	354	(184)	-	170
Balance as at 30 September 2022	3,754,143,475	1,258,673	511,469	17,282,388	68,928	19,121,458

Wisynco Group Limited
Group Statement of Cash Flows
Three months ended 30 September 2022

	Quarter ended 30 September 2022 \$'000	Quarter ended 30 September 2021 \$'000
Net profit from operations:	1,297,166	967,012
Items not affecting cash:		
Share of results of associate	11,358	(1,634)
Depreciation	248,832	232,291
Gain on sale of property, plant and equipment	(9,138)	-
Adjustment to property, plant & equipment	2,215	-
Amortisation of intangibles	2,834	2,834
Amortisation of loan commitment fees	893	-
Long Term Incentive Plan (LTIP) expenses	16,556	6,897
Interest income	(85,100)	(66,613)
Dividend income	(116)	(123)
Interest expense	23,280	26,594
Taxation expense	430,925	316,286
Exchange difference on foreign currency balances	(63,220)	32,126
	1,876,485	1,515,669
Changes in operating assets and liabilities:		
Inventories	174,939	657,821
Receivables and prepayments	(313,411)	(755,408)
Trade and other payables	(708,029)	(42,597)
Cash generated from operations	1,029,984	1,375,485
Taxation paid	(229,768)	(201,008)
Cash provided by operating activities	800,216	1,174,477
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(349,075)	(58,068)
Purchase of investments securities	(604,875)	(299,995)
Net (withdrawals)/placements of deposits over 3 months	(899,535)	291,935
Proceeds on disposal of property, plant and equipment	9,138	-
Proceeds from sale of investments securities	149,721	72,715
Long term receivables	2,738	976
Dividend received	116	123
Interest received	83,598	65,185
Cash (used in)/provided by investing activities	(1,608,174)	72,871
Cash Flows from Financing Activities		
Interest paid	(23,623)	(30,356)
Proceeds from long term loan	313,707	-
Proceeds from shares issued under LTIP	170	7,879
Long-term loans repaid	(165,488)	(165,488)
Lease liabilities repaid	(35,481)	(28,601)
Dividend paid	(750,825)	(750,156)
Cash used in financing activities	(661,540)	(966,722)
Effects of changes in foreign exchange rates	35,433	(46,467)
(Decrease)/Increase in cash and cash equivalents	(1,434,065)	234,159
Cash and cash equivalents at beginning of period	7,582,364	7,265,567
Cash and Cash Equivalents at end of period	6,148,299	7,499,726

Wisynco Group Limited
Notes to the Interim Financial Statements
30 September 2022

1. Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. Items presented in these interim consolidated financial statements have been recognized and measured in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been expressed in Jamaican dollars unless otherwise indicated.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial assets.

2. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses and whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment. Operating segments are reported in a manner consistent with the internal reporting to the CODM. The CODM is the Chief Executive Officer (CEO).

The CODM regularly reviews local versus export sales, however, the export sales do not meet the threshold of a reportable segment under IFRS 8 and as such no separate segment information is presented. There are no individual customers that constitute more than 10% of total revenue and the CODM does not review assets on a segment basis.

3. Earnings per stock unit

Earnings per stock unit is calculated on net profit and is based on the weighted average number of ordinary stock units in issue.

	Quarter ended September 30 2022	Quarter ended September 30 2021
Net profit attributable to ordinary stockholders (\$'000)	1,297,166	967,012
Basic & diluted earnings per stock unit	\$0.35	\$0.26

Wisynco Group Limited
Notes to the Interim Financial Statements
30 September 2022

4. Investment in Associate

	2022 \$'000
At July 1st 2022	570,561
Amounts recognized in other comprehensive income	(7,333)
Amounts recognized in profit & loss	(11,358)
Amounts recognized in the Statement of Financial Position	<u>551,870</u>

The Company owns 30% of the share capital in JP Snacks, which is the manufacturer of St. Mary's Snacks.

JP Snacks is a private company and there is no quoted market price available for its shares.

There are no contingent liabilities relating to the Company's interest in JP Snacks.

5. Cash and Short Term Deposits

	Quarter ended September 30 2022 \$'000	Quarter ended September 30 2021 \$'000
Cash and bank balances	2,221,632	2,567,856
Short term deposits	4,956,220	5,041,800
	<u>7,177,852</u>	<u>7,609,656</u>
Bank overdraft	(130,018)	(109,930)
Balances with maturity dates over three months	(899,535)	-
	<u>6,148,299</u>	<u>7,499,726</u>

6. Share Capital

An additional 6,250,000 ordinary stock units were listed on The Jamaica Stock Exchange on July 1, 2021, increasing the company's total issued ordinary stock units to 3,756,250,000. Of the 6,250,000 additional stock units, 2,106,525 were retained by the Group as Treasury stock units and 4,143,475 units were issued to employees who exercised stock options under the Company's Long-Term Incentive Plan.

7. Subsequent Events

The Directors confirm that there have been no material events subsequent to the end of the interim reporting period that have not been reflected in these financial statements.

WISYNCO GROUP LIMITED



Corporate Head Office: Lakes Pen Road, Spanish Town, Saint Catherine, Jamaica, W.I.

Tel: (876) 665-9000

10 Largest Shareholders of Wisynco Group Limited as at September 30, 2022

Name of Shareholder	Units	Percentage ownership
Wisynco Group Caribbean Limited	2,776,183,736	73.9084%
ATL Group Pension Fund Trustees Nom Ltd.	58,408,056	1.5550%
GraceKennedy Pension Fund Custodian Ltd.	32,922,285	0.8765%
SJIML A/C 3119	31,329,914	0.8341%
Sagicor Select Fund Ltd. ('Class C' Shares) Manufacturing & Distribution	30,964,303	0.8243%
Guardian Life Limited	29,341,646	0.7811%
National Insurance Fund	28,571,979	0.7607%
Devon Reynolds	28,123,827	0.7487%
Francois Chalifour	26,355,295	0.7016%
Sagicor Pooled Equity Fund	25,913,562	0.6899%

Shareholdings of Directors as at September 30, 2022

Directors	Direct	Connected Parties	Total
*William Mahfood	1,596,431	2,781,183,324	2,782,779,755
*Andrew Mahfood	727,763	2,780,739,959	2,781,467,722
Francois Chalifour	26,355,295	4,476,223	30,831,518
Devon Reynolds	28,123,827	0	28,123,827
John Lee	0	5,546,491	5,546,491
Lisa Soares Lewis	3,167,600	0	3,167,600
Adam Stewart	0	1,938,936	1,938,936
Odetta Rockhead Kerr	113,715	0	113,715

*These Directors have a beneficial holdings in Wisynco Group Caribbean Limited, which owns 73.9084% of Wisynco Group Limited in addition to other connected party holdings.

Shareholdings of Senior Executives as at September 30, 2022

Senior Executives	Direct	Connected Parties	Total
Andrew Fowles	2,225,300	0	2,225,300
Christopher Ramdon	2,202,383	0	2,202,383
Halcott Holness	2,595,333	0	2,595,333
Jacinth Bennett	1,369,249	0	1,369,249
Kisha-Ann Brown	0	0	0
Leilani Hunt	995,059	0	995,059
N. Craig Clare	878,318	0	878,318
Sean Scott	0	1,294,175	1,294,175
Tabitha Athey	923,420	0	923,420
Vanessa Young	3,000	0	3,000